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Before the  
Federal Communications Commission  
Washington, D.C. 20554

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In the Matter of

Advanced Television Systems  
and Their Impact Upon the  
Existing Television Broadcast Service

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MM Docket No. 87-268

To: The Commission

**COMMENTS OF NEW WORLD TELEVISION INCORPORATED**

John K. Hane III  
3200 Windy Hill Road  
Suite 1100 West  
Atlanta, GA 30339  
(770) 955-0045

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## **Summary**

Today's television broadcasting service is an enormously successful use of public and private resources. Unfortunately, elements of both the industry and the government have decided that the need to change television broadcasting from one transmission standard to another is an opportunity to completely redesign the broadcasting industry, from its sources of revenue to the function and character of its output. Some industry players have made intriguing predictions about new services broadcasters might offer. Some policy makers, hearing these Buck Rogers predictions and expecting broadcasters to build vast new businesses with leftover spectrum, have incorrectly called the transitional ATV spectrum "new" or "additional" spectrum and have called for it to be auctioned. Others would impose new social and moral obligations on broadcasters that make the digital crossing. Unfortunately, these marginal issues have become the dominant focus of debate. The fundamental issues have been all but forgotten.

We must reign in the terms of this debate. New World believes that the singular focus of this proceeding should be to find the best and most expeditious way to move to a technically superior digital broadcast television infrastructure while preserving and enhancing this free, universal television service. Television broadcasting -- specifically high definition television broadcasting -- should remain the core service provided on the television broadcast spectrum, and other uses of that spectrum should be considered merely peripheral business and regulatory issues.

Other than spectrum auctions, the two biggest threats to building a free, competitive, over-the-air digital broadcast television system are an open-ended or contingent transition

timetable and unlimited spectrum flexibility. New World supports (1) paired, unalienable ATV assignments authorized under a single licence; (2) eligibility for paired ATV channels according to the existing terms of eligibility for NTSC channels; (3) phase-in of full-time simulcasting of NTSC programming in full HDTV format on the transitional digital channel; (4) a strict timetable for construction of ATV facilities; and (5) return of the NTSC spectrum and cessation of NTSC broadcasts on a date certain. These positions reflect New World's view that we should pursue a workable vision of ATV and plan for its success, rather than seek some amorphous goals and burden the transition by building in costly contingencies against failure.

Fundamental to New World's position that the transition should occur as rapidly as possible is the belief that the digital crossing will bring broadcasters more hard costs than windfall profits. Inevitably, a transition timetable established by the government will be determined less by market demands and more by larger governmental policy concerns that may bear little relationship to economic viability. Broadcasters who quickly make the enormous investment in digital should not have to compete indefinitely against NTSC-only broadcasters, who will have lower costs and a life-or-death incentive to delay or prevent the final transition to digital broadcasts. Both broadcasters and consumers deserve to know well in advance exactly when NTSC broadcasting and NTSC reception will end.

New World also believes that the FCC should establish full, high definition television, simulcast during the transition, as the ATV software standard. First, consumers will not buy ATV sets in sufficient quantities to support mass media unless they know that they will be able to receive the same high quality programming they receive today in a superior format.

Second, lack of an ATV software standard will fatally undermine the existing program distribution system and jeopardize the transition. Third, simulcasting and setting HDTV as the ATV software standard will solve all Ashbacker concerns, will silence critics of the “digital spectrum grab,” and will facilitate the quick recovery of much of the existing television broadcast band to be used for other purposes.

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Digital television is a phenomenon that is already in the marketplace, and it now appears that digital transmission will be the principal method of delivering video into the home in the future. How quickly consumers will embrace the transition, and what effects their choices will have on the industry, are more difficult to predict. Multichannel subscription television services, with the ability to roll out digital television services incrementally, will have the opportunity to scale their digital offerings to the demands of the market and to the penetration of ATV receivers. Their digital implementation can be driven by economic viability.

Broadcasters are not so fortunate. The nature of broadcasting -- which is composed of single channel point-to-multipoint distributors licenced by the government -- precludes the flexibility of a scaled, incremental roll out that is based on market demand. Broadcasters cannot convert to digital transmission until the FCC allows the change, and when they do, they will have to make the transition according to a timetable established by the government. Inevitably, the timing of the transition for broadcasters will be determined less by market demands and more by larger governmental policy concerns that may bear little relationship to

economic viability.

The current policy formulations contemplate that broadcasters that want to continue to broadcast in the digital world will be required to begin digital broadcasts -- a very expensive undertaking -- before there is any audience for the service. The equation is not unreasonable, but its success is uncertain. The entire broadcast infrastructure must be rebuilt at incomprehensible expense before the industry can even begin to entice consumers to start replacing their installed base of analog sets. Broadcasters must create an entirely new supply of digital television programming with no idea what level or what kind of services consumers will demand. At a minimum, it is clear that the economics of the television broadcast industry will be radically changed in the transition. It is far from clear that even some broadcasters will be able to recoup the capital and operational costs of the transition. Certainly the transition must be structured in a way that creates a real opportunity for the investment to be recovered so that free, over-the-air broadcast television survives the transition.

**A. The Proper Goal of this Proceeding**

The NPRM<sup>1</sup> defines the following goals for this proceeding:

- 1) The preservation of a free, universal broadcasting service.
- 2) Fostering an expeditious and orderly transition to digital technology.
- 3) Managing the spectrum to permit recovery of contiguous blocks of spectrum.
- 4) Ensuring that the ATV spectrum and the recovered NTSC spectrum is used in a manner that best serves the public interest.<sup>2</sup>

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<sup>1</sup>Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry, MM Docket No. 87-268, released August 9, 1995.

<sup>2</sup>Id. at ¶6.

New World believes that these are the proper goals. Unfortunately, elements of both the industry and the government have decided that the need to change television broadcasting from one transmission standard to another is an opportunity to completely redesign the broadcasting industry, from its sources of revenue to the function and character of its output. In the process, they have come to view the digital transformation as an opportunity to extract all manner of new advantages. Some broadcasters, musing more over what is technically possible rather than what is commercially viable, have suggested using the flexibility of the digital transmission standard to multiplex or to provide other services that are not broadcast services at all. Some policy makers, hearing these Buck Rogers predictions and expecting broadcasters to build vast new businesses with leftover spectrum, have called the transitional ATV spectrum “new” and “additional” spectrum and have called for it to be auctioned. Others would impose new social and moral obligations on broadcasters that make the digital crossing.

Spectrum flexibility and appropriate compensation to the government based on new revenue streams are important and sensitive issues that have a place in the debate. Unfortunately, these issues, which New World and many other broadcasters believe to be peripheral, have become the dominant focus of debate. The fundamental issues have been all but forgotten.

The terms of this debate must be reigned in. Policy makers and broadcasters should reaffirm their commitment to providing the highest attainable quality of free, universal, over-the-air television to the public. From now through the last court appeal of the FCC’s decision, the singular focus of the FCC, the industry, and public should be on finding the best



answer to one question: how do we move the broadcast television service from analog to digital, as quickly as possible, with as little disruption to the public as possible, and with the greatest possible likelihood that we will find a free, competitive, universal, over-the-air system of high quality local and national television broadcasting on the other side of the transition?

This task alone is so enormous, and the loss resulting from failure is so great, that it is foolish for digital broadcast television policy to be driven by ancillary concerns. The issues that must be resolved to answer this question do not yield pithy phrases and they do not grab headlines like quick fixes to balance the national budget, but they are the issues we have to address if we are to preserve free local television broadcasting in the digital world.

Implicit in New World's position is the belief that the current television broadcast system is a good thing that should be preserved. Some policy makers, and some in other industries that covet the broadcast spectrum, would reconsider that proposition. Those matters are beyond the scope of this rulemaking. The entire fabric of broadcast regulation, beginning with Section 307(b) of the Communications Act of 1934, is made from the twin threads of free, universal service and localism. It is entirely inappropriate to reach decisions in this proceeding that are premised on a belief that some other model of broadcasting is superior unless those issues are squarely raised and deeply considered. While New World supports the Commission's decision to rethink the conclusions it reached in 1992, when the great power and flexibility of the Grand Alliance transmission standard were unknown, we remain committed to the established national policy that free, universal, local, over-the-air broadcast television should be preserved and enhanced.

For these reasons, New World supports (1) paired, unalienable ATV assignments

authorized under a single licence; (2) eligibility for paired ATV channels according to the existing terms of eligibility for NTSC channels; (3) phase-in of full-time simulcasting of NTSC programming in full HDTV format on the transitional digital channel; (4) a strict timetable for construction of ATV facilities; and (5) return of the NTSC spectrum and cessation of NTSC broadcasts on a date certain. These positions reflect New World's view that we should pursue a workable vision of ATV and plan for its success, rather than seek some amorphous goals and burden the transition by building in costly contingencies against failure.

#### **B. Initial Eligibility**

New World believes every existing television licensee must be offered the opportunity to make the transition to digital and encouraged to meet the challenge. If existing NTSC channels are to be reclaimed, that means every full power television licensee must be assigned a paired ATV channel. All of the public interest considerations that underlie the renewal expectancy, including service continuity and the need to encourage investment, apply with greater force to the digital transition. There is absolutely no precedent for adopting rules that would effectively disenfranchise the entire existing television broadcast industry.<sup>3</sup>

New World agrees that the Commission is not precluded by Ashbacker<sup>4</sup> from pairing

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<sup>3</sup>FCC v. National Citizens Committee for Broadcasting et al., 436 U.S. 775, 56 L.Ed.2d 697 (1978) does not hold that the FCC is empowered to disenfranchise the entire broadcasting industry. In that case the Court upheld retroactive application of the FCC's newspaper-broadcast cross-ownership restriction to require some existing owners to divest properties to come into compliance with the new rules. Requiring a handful of station owners to sell a few stations at market prices is no precedent for requiring an entire industry to close up shop without even the opportunity to divest.

<sup>4</sup>Ashbacker Radio Corp. v. FCC, 326 U.S. 327 (1945).

the initial ATV assignments with existing NTSC licenses and assigning them to existing broadcasters. The NPRM correctly recognizes that a station transitioning to ATV will not be granted a new license, but instead will have its existing license modified to conform to the upgraded ATV service. The certain cancellation of the NTSC authorization renders the paired ATV authorization actually exclusive with the existing NTSC authorization, so that no applicant's rights are abridged simply because he is ineligible to apply for an initial ATV channel.<sup>5</sup> However, it is misleading to characterize this process as one that "limit[s] initial eligibility to incumbent broadcasters." NPRM at ¶29. ATV licenses will continue to be open to new entrants on the same basis that NTSC channels are available to new entrants now: either through the Commission-approved purchase of the stock or assets of an existing licensee, or through the comparative renewal process.

New World supports the Commission's proposal to authorize both the NTSC and ATV channels under a single licence. The single license underscores the transitional nature of the authorization and is consistent with Ashbacker. In no case should an NTSC authorization be alienable from its paired ATV channel. Alienability may get ATV channels in the hands of willing operators, but it would raise enormous Ashbacker concerns and put the entire

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<sup>5</sup>For instance, since 1986 the Commission has allowed FM broadcast licensees to upgrade their facilities on their existing or adjacent channels without facing competing applications from new applicants. See FM Stations (Upgrade on Existing or Adjacent Channel), 60 RR 2d 114 1986. Before 1986 an FM licensee that wanted to upgrade its facilities to a higher class of FM license -- even on its same channel -- opened the door to competing applications that might preclude the upgrade and even result in loss of the existing license. Obviously, few FM licensees were willing to gamble their existing license in exchange for a chance to increase operating power or tower height. The Commission's policy *discouraged* service improvements. Like the revised FM upgrade procedures, pairing ATV channels with NTSC licenses and sunsetting the NTSC authorizations is consistent with Ashbacker and promotes the service improvements that are the object of this proceeding.

transition plan under peril of judicial reversal. Moreover, as discussed in more detail below, once the transition to ATV begins the government should provide no incentive for the long term perpetuation of NTSC. It would be extremely difficult for the Commission to pull the plug on an operating station that still has viewership, even if the station voluntarily sold its ATV rights.

The NPRM asks whether broadcasters that are in bankruptcy, off the air, or otherwise unable to engage the transition to digital television should be eligible for a paired ATV assignment. New World believes that any broadcaster that can make the transition should be given the opportunity to do so. The Commission should not make broad judgements about the ability of any licensees that are currently operating to make the transition. Some operating bankrupt stations, for instance, may be able to demonstrate to the Commission that they have access to the capital needed to build ATV facilities. They should not be automatically precluded from making the transition. The Commission can identify the broadcasters that are unwilling or unable to make the transition by making the period of exclusive incumbent eligibility a short one. A broadcaster that does not promptly seek authorization to construct ATV facilities, or that does not promptly begin construction once authorized, should promptly lose its right to construct ATV facilities. Stations that do not construct ATV facilities should be allowed to continue NTSC broadcasts until the NTSC channels are reclaimed, at which point they should be required simply to go dark. A station's failure to elect to make the ATV transition, or its failure to timely construct ATV facilities, should be relevant issues in any subsequent license renewal proceeding.

### **C. Application and Construction Timetable**

New World and many other broadcasters are committed to ATV and intend to construct and begin operating ATV facilities on the earliest possible date. However, not all broadcasters are capable of making the transition, and it is possible that not every broadcaster that is capable will undertake the transition. Unfortunately, those broadcasters that elect to stay with NTSC will not be merely neutral to the transition, they will impede it. Broadcasters that build the first ATV facilities must bet a lot of present cash against distant and uncertain benefits. Stations that do not make the ATV investment in the early stages will still reach 100% of the broadcast audience, but with substantially lower costs. Without subsidizing ATV operations, their NTSC operations will have enormous cost advantages over NTSC/ATV competitors, and they may be able to deliver better NTSC programming. Such stations will have a life-or-death incentive to destroy or at least stall viewer acceptance of ATV. The incentive of NTSC-only broadcasters to frustrate ATV implementation would be even more prevalent if the ATV license could be alienated from the NTSC license.

The NPRM proposes to allow broadcasters six months from the adoption of an allotment table or a technical standard in which to elect to make the transition, another thirty months in which to file an application, and three additional years in which to complete construction. Assuming that the Commission completes its ATV rulemakings by the end of 1996, broadcasters might have until 2003 to initiate ATV broadcasts. This appears to be a workable plan and a more than generous amount of time. However, New World believes the Commission must also set an outside date certain, between seven and fifteen years from the grant of the first ATV authorizations, for the cessation of NTSC broadcasts. The most important issue is not how much time the FCC allows for the transition, but how strictly it

enforces the time limits. Broadcasters that undertake the expense and the risk of ATV at the outset should not be required to subsidize broadcasters that wait to see if ATV is successful before making the investment.

New World supports the FCC's application and construction timetable with minor modifications. First, the Commission should recognize that virtually all licensees will elect to receive a paired ATV assignment whether they are ready and willing to make the transition or not. Stations making the election should be required to demonstrate financial qualifications to construct and operate the ATV station for a period of time. As the Commission proposes, licensees that do not pursue ATV should face a sunset of their licenses at the end of the transition. A station that appeals revocation of its ATV authorization for failure to construct should be subject to expedited review. In addition, a licensee's failure to pursue ATV should be a relevant issue in NTSC license renewal proceedings.<sup>6</sup> There should be no rewards for voluntarily failing to construct. Similarly, broadcasters that make the ATV investment should receive an enhanced renewal expectancy during any renewal cycles that precede the sunset of NTSC. This will give broadcasters confidence that they will have an opportunity to recover their HDTV investments.

The same discipline can and must be enforced on the consumer. The desire to protect NTSC viewers for as long as possible is understandable, but it is dangerous. Since the entire point of the ATV proceeding is to sunset the NTSC infrastructure (and thus inevitably to

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<sup>6</sup>Obviously, the Commission will have to protect licensees that are prevented from commencing ATV broadcasts for technical or other non-financial reasons beyond their control. The current standards for extension of unbuilt construction permits would be a good starting point, if those standards were to be strictly enforced.

disenfranchise NTSC viewers) it is misleading to engineer into the transition implicit assurances that NTSC will be perpetuated indefinitely so long as a few consumers remain unwilling to make the transition. The Commission cannot simultaneously protect and disenfranchise NTSC viewers. Tying the transition to a particular degree of market penetration can only give consumers a false sense of security until the last moment. It is far better that consumers be told from the outset that NTSC's time is limited.<sup>7</sup>

Another problem with a transition date keyed to an unknown contingency is that it assumes failure as a possible outcome. Failure is a totally unacceptable result. If we go into the ATV transition at all, we must decide at the outset that the transition will occur and we must insist that it be successful. Leaving open the option of turning back only rewards behavior by both consumers and broadcasters that is inimical to the success of the venture. Uncertainty of success is implicit in a contingent transition date, and investment -- both consumer and industrial -- loathes uncertainty. The surest way to make ATV fail is to plan for its failure.

The FCC cannot guarantee broadcasters or consumers that ATV will succeed. It can guarantee that the inferior but lower cost NTSC system will not compete with ATV after a date certain. Broadcasters that want to continue to supply television, and consumers who want to consume broadcast television, after a certain date, will have to make the transition to digital.<sup>8</sup>

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<sup>7</sup>Neither the Commission nor the Congress is powerless to modify the transition timetable in the unlikely event that consumers are extremely slow to adopt digital television.

<sup>8</sup>At any point after the transition begins a decision to end one system will by definition disenfranchise a portion of the population. The better choice is to disenfranchise the older

#### **D. Simulcasting and HDTV Requirements**

Other than spectrum auctions, the two biggest threats to building a free, competitive, over-the-air, digital broadcast television system are an open-ended or contingent transition timetable and unlimited spectrum flexibility. For the reasons discussed above, an unlimited transition timetable punishes the broadcasters who make the earliest ATV investment, rewards laggards, and offers incentives for anti-transitional behavior. New World also believes the transition should occur according to a standard that includes phased-in, full-time simulcasting of the NTSC channel's content in full HDTV format for three equally important reasons. First, ensuring an adequate supply of HDTV programming is by far the best way to drive ATV set penetration. Second, lack of a programming standard for ATV broadcasts will completely disrupt the program distribution system and introduce huge and unnecessary risks to the transition. Third, simulcasting and HDTV will help to silence critics who view the ATV transition as a "spectrum grab" and will greatly expedite the return of the NTSC spectrum for other uses.

*Consumers will not buy ATV sets in quantities sufficient to support mass media unless they know that they will be able to receive the same quality programming they receive today in a superior format.* Like other broadcasters, New World is intrigued with the prospect of "flexible use" of the digital bitstream to provide new and innovative services. Some of these services, undoubtedly, may justify the digital upgrade cost for some consumers. However, the digital crossing will not be a success for broadcasters and consumers until substantially all

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NTSC investment, which already has generated a return, rather than the ATV investment, which has not had the opportunity.



households have converted. Because the economics of sustaining free over-the-air television depend advertising revenue generated from broadcasting's delivery of a mass audience, the household penetration levels of personal computers, cordless telephones, compact disc players, cable television, and even VCRs are insufficient to sustain the present day diversity of free over-the-air television broadcasting. Digital set or converter box penetration must approach 100% -- the same penetration of NTSC television -- or the transition will fail for broadcasters and consumers.

Only broadcast services achieve the level of household penetration that will be required to drive widespread consumer acceptance of digital television. It is unreasonable to expect that any other type of service -- even so-called "broadcast" multiplexing -- can drive the degree of penetration that will be required to make free digital television a reality. With isolated exceptions, the economies of narrowcasting simply do not support the kind of high quality, big event programming that makes free broadcast television a universal service. Cable television already offers more "narrowcast" services to consumers than can be provided on multiplexed ATV channels in virtually any television market. Even though cable television is available to the vast majority of U.S. consumers, in most cases without the need for any new equipment, a third of households do not subscribe. Multichannel television delivery is enormously successful with consumers who choose it, but it has not risen to the "lifeline" level of broadcast television. It simply will not drive the ATV set penetration that broadcasters need if the transition is to be successful.

Consumers who are asked to invest in digital television sets deserve to know precisely what they are buying and they must believe that what they are buying has value. Consumers

must be given a very good reason to spend two weeks' or a month's salary or more on a new digital television set. Whatever service improvements motivate consumers to invest in ATV, they must know that the same enhanced service will be available next year, and in the next city. Because the transition timetable must be short, the broadcast industry does not have the luxury of simply evolving all over again, experimenting with many different options to find what works. The need for universal acceptance on a limited timetable precludes time consuming experimentation.

Fortunately, the existing broadcast television service has essentially universal appeal, and it seems likely that consumers will want technically superior broadcast television even more. The dramatic improvement in audio and video performance between NTSC and HDTV is a benefit consumers can see immediately and one they will likely pay to get. But consumers will be far less likely to make that investment if they know that the great picture quality could disappear if it becomes more profitable for a broadcaster to update computer software or deliver five simultaneous feeds of standard definition television programs.

*Lack of an HDTV software standard will undermine the existing program distribution system and jeopardize the transition.* Even narrowing the spectrum use choices to HDTV and SDTV multicasting injects enormous complications into a project that is already by far the most difficult and expensive in the history of broadcasting. As a broadcaster that acquires programming from multiple sources, New World needs to know that HDTV programming will be available, at least eventually, to duplicate its entire NTSC schedule. As a producer and distributor of television programming, New World needs to know that HDTV programming produced for NTSC simulcast will be cleared. The now legendary missteps in

implementing AM stereo -- when the FCC failed for years to select a standard -- will pale in comparison to the complications of rebuilding the software side of the television business without standards.<sup>9</sup>

*Standardizing HDTV and simulcasting solves all Ashbacker concerns, silences critics of the digital "spectrum grab", and facilitates the recovery of the NTSC spectrum.* Free over-the-air television broadcasting as it stands today, with all of its technical limitations, is a wildly successful use of public resources. Commercial television broadcasting, using licensed spectrum, serves the overwhelming majority of U.S. citizens nearly every day. It takes no tax receipts and levies no direct charge on the public. If not for inflated claims growing out of the initial excitement of spectrum flexibility, no one would have dreamed to question the return on investment the public receives from broadcast licenses. Because most broadcasters intend to duplicate and improve this service in the digital world rather than redefine the business completely, it is detrimental to labor under the distrustful eye of policy makers that suspect broadcasters of using the digital crossing to one-up the public. Right now the government, the public, and broadcasters have a deal that is successful for everyone. This is a social contract that should be renewed, not renegotiated.

Finally, standardizing the software side of the transition offers new benefits to both the public and the broadcaster. For the broadcaster, even full HDTV programming still leaves much greater capacity for ancillary and supplementary services than is possible with NTSC.

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<sup>9</sup>Some will argue that the AM stereo debacle is a poor analogy, and they are right. The failure of the Commission to make HDTV the software standard for television broadcasting will be much more harmful to television than the failure to adopt a stereo standard was to the AM radio industry.

Broadcasters can provide HDTV and still find new ways to enhance programming or provide unrelated data and subscription services. For the public, in addition to ensuring value in the ATV set purchase, an established standard will expedite the transition and free currently unusable spectrum for auction.

Like other broadcasters, New World is eager to use any excess data capacity remaining during HDTV broadcasts to provide new and innovative ancillary and supplementary services. New World already provides such services using the VBI portion of the NTSC signal, and we look forward to the promise of continuing and perhaps expanding the scope of these services somewhat during and after the digital transition. However, it is not appropriate or even commercially desirable to allow ancillary services to handicap the competitiveness of our core business.

While we strongly support a policy that is conducive to a rapid implementation of full-time HDTV, we recognize that it will take some time for content providers to begin supplying programming simultaneously in both NTSC and HDTV formats. New World supports a reasonable schedule for phase-in of simulcasting and HDTV, provided that full-time HDTV simulcasting is achieved at least one year before the NTSC sunset. Recognizing that the Commission retains the discretion to waive or to relax the schedule depending on market conditions, New World supports relatively aggressive simulcast and HDTV phase-in schedules.

#### **E. Other Issues**

All Channel Receiver Issues. If the Commission requires broadcasters to transition to digital systems, it should exercise its power under the All Channel Receiver Act to require set

manufacturers to make all televisions sold after a date certain capable of receiving and displaying digital broadcast transmissions. Moreover, once a date certain for the NTSC sunset has been chosen the Commission should require every NTSC-only set to come with a prominent warning that it will not be able to receive broadcasts after that date without modifications.

Must Carry/Retransmission Consent. Making simulcasting and HDTV the ATV standard and accelerating the transition period will assist cable operators in meeting their obligations under the 1992 Cable Act, particularly with respect to must carry obligations. It is absolutely essential to the success of the transition that cable operators be able to meet their broadcast signal carriage obligations under the Cable Act. Since about two-thirds of consumers receive their broadcast services through cable systems, the failure of cable systems to pass through the full HDTV signal (including any supplementary program-related material) would prevent the majority of consumers from realizing the benefits of the transition. Given the altered economic models at play during and after the transition, the failure of cable systems to pass the benefits of broadcast HDTV on to their subscribers could effectively destroy free over-the-air broadcast service.

Smaller markets. New World is not opposed to the adoption of a slightly longer transitional timetable for smaller markets, provided that NTSC broadcasts are ended on a date certain.

Public interest obligations. The transition to digital television should be viewed as the enormous technical and operational challenge that it is, not as a chance to redefine the entire business and regulatory structures of the industry. Broadcasting should continue in

substantially is present form with superior technical quality after the transition. This model suggests no reasons for redefining the particular contours of the public interest. If external developments justify changes in the specific public interest requirements, then the Commission should initiate a separate rulemaking to examine those issues. Clearly, any new content restrictions justified on the misguided theory that the expensive and uncertain digital transition will be a windfall for broadcasters are inappropriate.

### **Conclusion**

For the reasons outlined in these Comments, New World asks the Commission to adopt an ATV transition plan that includes (1) paired, unalienable ATV assignments authorized under a single licence; (2) eligibility for paired ATV channels according to the existing terms of eligibility for NTSC channels; (3) phase-in of full-time simulcasting of NTSC programming in full HDTV format on the transitional digital channel; (4) a strict timetable for construction of ATV facilities; and (5) return of the NTSC spectrum and cessation of NTSC broadcasts on a date certain.

Respectfully submitted,

NEW WORLD TELEVISION, INC.

By    
John K. Hane III  
3200 Windy Hill Road  
Suite 1100 West  
Atlanta, GA 30339

November 20, 1995